

CHAPTER 16. HOUSING ASSISTANCE PAYMENT PROGRAM - SECTION 8
CERTIFICATE AND VOUCHER PROGRAMS

16-1. GENERAL.

Through the Section 8 Rental Voucher Program and the Section 8 Rental Certificate Program, HUD enters into contracts with local HAs that administer these programs to assist very low-income families in leasing privately-owned, decent, safe, and sanitary rental housing. The HA issues eligible very low-income families rental vouchers or certificates and the families are free to locate suitable rental units that meet their needs. The HA makes assistance payments to the private owners who lease their units to assisted families. The owner of the premises and the HA sign a Assistance Payment Contract, which sets forth the terms of the agreement between the two parties.

16-2. COVERAGE REQUIREMENTS.

- a. A HA which administers a Section 8 Voucher Program or Rental Certificate Program must carry adequate fidelity bond coverage for employees handling cash or authorized to sign checks or certify vouchers. The minimum bond limit is determined in accordance with Chapter 8 of this Handbook.
- b. Except for fidelity bond coverage, the Section 8 ACC does not require any other insurance coverage for an HA administering a Certificate Program or Voucher Program. However, there have been past instances where legal action has been taken against HAs by tenants of Section 8 units who incur bodily injury on the premises. Their action is based primarily on the basis that the HA has inspected the premises and determined that they are decent, safe, and sanitary. HUD does not require that a HA purchase liability insurance to protect against such claims. Neither is there a prohibition against purchase. It is up to the discretion of the HA to buy this coverage if it is felt that the exposure warrants the expense.

16-1

5/96

G 7401.5

LEAVE THIS PAGE BLANK

5/96

16-2